In the matter of

XXXXX
        Petitioner

v   File No. 121061-001

Priority Health Insurance Company
        Respondent

_____

Issued and entered
this 20TH day of October 2011
by R. Kevin Clinton
Commissioner

ORDER

I. PROCEDURAL BACKGROUND

On May 2, 2011, XXXXX on behalf of her minor son XXXXX (Petitioner), filed a request for external review with the Commissioner of Financial and Insurance Regulation under the Patient's Right to Independent Review Act (PRIRA), MCL 550.1901 *et seq.* the Petitioner receives health care benefits under a policy issued by Priority Health Insurance Company.

The Commissioner notified Priority Health of the external review and requested the information used in making its adverse determination. On May 4, 2011, Priority Health furnished the requested information. After a preliminary review of the material submitted, the Commissioner accepted the request for external review on May 9, 2011.

The issue here can be decided by applying the terms of the policy, Priority Health's *Preferred Provider Organization Plan (PPO) Insurance Policy* (the policy). The Commissioner reviews contractual issues pursuant to section 11(7) of the PRIRA, MCL 550.1911(7). This matter does not require a medical opinion from an independent review organization.

II. FACTUAL BACKGROUND

The Petitioner has a congenital hearing impairment. He has received speech therapy from XXXXX. The Petitioner is appealing Priority Health's denial of coverage for speech therapy for the period August through December 2010. Petitioner appealed the denial through Priority

Health's internal grievance process. Priority Health affirmed its denial of coverage and issued its final adverse determination on April 14, 2011.

III. ISSUE

Did Priority Health correctly deny coverage of Petitioner's speech therapy services?

IV. ANALYSIS

Petitioner's Argument

In the request for external review, Petitioner's mother stated:

> My policy indicates that speech therapy is covered when the speech problem is caused by a congenital anatomic defect. My son was born deaf (congenital) and insurance refuses to pay for any speech therapy. The language of their contract induced me to get this insurance and now they won't pay.

The Petitioner's audiologist in an undated letter to Priority Health wrote:

> [Petitioner] has been a patient of mine since he was a toddler. He has a moderate to severe bilateral sensorineural hearing loss. There has been some progression of his hearing loss since it was first identified. [Petitioner] wears two behind the ear digital hearing aids and does very well hearing speech when the conditions are ideal. That is, it must be relatively quiet and the distance between the listener and the speaker cannot be more than three or four feet. We monitor the hearing aid function two to four times per year, make repairs when needed, replace earmolds or tubing when needed and perform an audiological evaluation annually. Hearing aid settings are modified as needed.

> Children with hearing loss need speech and language services to improve their ability to distinguish one sound from the next, to improve vocabulary and the use of the vocabulary, to understand concepts and directions that may be more abstract and to improve the quality and clarity of their own speech production.

Respondent's Argument

In its final adverse determination dated April 14, 2011, Priority Health stated:

> Speech Therapy is not a covered benefit for long-term therapy and for services that can be provided by the [covered individual's] School District. . . . Records reviewed evidence [Petitioner] is receiving Speech Therapy through the School District since he was 1 year old.

Commissioner's Review

The policy (pp. 8, 13, 17-18) includes the following provision cited by Priority Health in its final adverse determination:

> **SECTION 5.   Obtaining Covered Services**
> * * *
> **IV.   Covered And Non-Covered Services**
> * * *
> **A.   Professional Services**
> **Rehabilitative Medicine Services**
> Short-term rehabilitative medicine services are Covered if:
> - you receive them as an outpatient or in the home, and
> - the services cannot be provided by any federal or state agency or by any local political subdivision, including school districts, when a Member is not liable for the costs in the absence of insurance, and
> - the therapy is restorative in nature and there is meaningful improvement within 90 days in the Member's ability to perform functional day-to-day activities that are significant in the Member's life roles . . .
>
> * * *
>
> *Non-Covered Services*
> (a) Therapy is not Covered if there is not meaningful improvement in the Member's ability to perform functional day-to-day activities that are significant in the Member's life roles within 90 days of therapy initiation.
>
> * * *
>
> (i) All therapies for developmental delays, cognitive disorders, including physical, occupational, speech, cognitive and sensory integration therapy.

The policy provides two coverage limitations relevant to the Petitioner's situation: no coverage is provided for long-term speech therapy, nor is coverage provided when speech therapy is provided by the insured person's school district. Priority Health's denial of coverage is consistent with the terms of the policy.

V. ORDER

The Commissioner upholds Priority Health Insurance Company's final adverse determination of April 14, 2011. Priority Health is not required to cover speech therapy services Petitioner received from August through December 2010.

This is a final decision of an administrative agency. Under MCL 550.1915, any person aggrieved by this Order may seek judicial review no later than 60 days from the date of this Order in the circuit court for the county where the covered person resides or in the circuit court of Ingham County. A copy of the petition for judicial review should be sent to the Commissioner of Financial and Insurance Regulation, Health Plans Division, Post Office Box 30220, Lansing, MI 48909-7720.